

**SCOTTSDALE AIRPORT
ADVISORY COMMISSION
PUBLIC MEETING
AIRPORT ADMINISTRATION BUILDING
15000 NORTH AIRPORT DRIVE, SCOTTSDALE, AZ**

APRIL 12, 2006

DRAFT MINUTES

PRESENT: Donald Maxwell, Chairman
Fred Madanick, Vice Chairman
Tom Guilfooy
Mike Osborne
Lois Yates

ABSENT: Sean Asmus
Leonard Tinnan

STAFF: Chris Read, Assistant Aviation Director
Scott Gray, Aviation Director
Matt John, Administration Specialist
Jennifer Lewis, Aviation Planner

PUBLIC: Mike Donohoe
Guy Milanovits
Michael Olson

CALL TO ORDER

Chairman Maxwell called the meeting to order at 6:03 p.m.

ROLL CALL

A roll call confirmed the presence of Commissioners as noted above.

PUBLIC COMMENT

None.

MINUTES

Commissioner Osborne moved the approval of the March 8, 2006 meeting minutes. Commissioner Guilfooy seconded the motion, which carried by a unanimous vote of five (5) to zero (0).

Mr. Gray confirmed that since the City Council Subcommittee on Regional Aviation Issues disbanded during the course of the March 18, 2006 joint special meeting, it was appropriate for the Commission to approve the minutes of that meeting.

Accordingly, Commissioner Yates moved the approval of the minutes of the March 18, 2006 joint special meeting of the City Council Subcommittee on Regional Aviation Issues and the Scottsdale Airport Advisory Commission. Commissioner Osborne seconded the motion, which carried by a unanimous vote of five (5) to zero (0).

BUSINESS PERMITS

Mr. Matt Johnson presented information regarding ratification of the Airport Aeronautical Business Permit for Alliance Aircraft Maintenance Services, L.L.C. to provide aircraft mobile maintenance services at the Scottsdale Airport. Alliance Aircraft Maintenance Services, L.L.C. has provided the appropriate documentation as required. This action is not anticipated to result in additional tie-down demand. The associated fees are expected to generate approximately \$1,500 in annual revenue to the Aviation Enterprise Fund. Mr. Johnson introduced Mr. Guy Milanovits, Managing Partner of Alliance Aircraft Maintenance Services, L.L.C..

Commissioner Yates made a motion for ratification of the Airport Aeronautical Business Permit for Alliance Aircraft Maintenance Services, L.L.C. to provide aircraft mobile maintenance services at the Scottsdale Airport, as written. The motion was seconded by Commissioner Osborne and carried unanimously by a vote of five (5) to zero (0).

Mr. Johnson presented information regarding ratification of the Airport Aeronautical Business Permit for Premier Helicopters, L.L.C. to provide helicopter leasing or rental and flight training services in the Scottsdale Airport. He noted that Premier Helicopters, L.L.C. has provided the appropriate documentation as required. The associated fees are expected to generate approximately \$600 in annual revenue to the Aviation Enterprise Fund.

Mr. Johnson introduced Mr. Michael Olson, Operations Manager and Chief Flight Instructor with Premier Helicopters, L.L.C. In response to questions from the Commissioners, Mr. Olsen described the operations of the company.

Commissioner Yates made a motion for ratification of the Airport Aeronautical Business Permit for Premier Helicopters, L.L.C. to provide helicopter leasing or rental and flight training services in the Scottsdale Airport, as written. The motion was seconded by Commissioner Osborne and carried unanimously with a vote of five (5) to zero (0).

Mr. Matt Johnson presented the agenda item for aeronautical business permit additions, cancellations, and revocations.

GENERAL BUSINESS

Consider Proposed Changes to the Airport Rules and Regulations Regarding Aircraft Parking

Mr. Gray noted that no wording was changed and no further public comment has been received since the discussion at the last Commission meeting about the proposed rule change.

Commissioner Osborne made a motion to approve the proposed changes to the Airport rules and regulations regarding aircraft parking as written. Commissioner Yates seconded the motion, which passed by a vote of four (4) to one (1), with Commissioner Guilfooy dissenting.

Airpark Development Update

Aviation Planner Ms. Jennifer Lewis noted development projects within the noise contour area of the Airport, as indicated on the aerial plan in the packet. Chairman Maxwell asked whether navigation easements were being requested on all the properties. Ms. Lewis replied that all five projects have submitted signed navigation easements although as of yet only one has been recorded. Included in the packet was the Scottsdale Airport Vicinity and Airpark Development Guidelines.

Staff answered questions regarding definitions in the guidelines and about the noise contour area. Ms. Lewis explained that staff have reviewed other projects also, and were presenting the developments identified on the plan, since these are the projects within the noise contour.

Consider Recommendation to Approve the Aviation Enterprise Five-Year Financial Forecast

Mr. Gray noted that as part of the budget process, the Capital Improvement Program will go to City Council for budget adoption. The Aviation Five-Year Financial Forecast is part of the CIP. He introduced Mr. John Ralston from Financial Services, who proceeded to give a presentation.

Mr. Ralston explained that Financial Services makes a very conservative forecast of revenue and intentionally makes the expenditure forecast on the high side. Highlights of Mr. Ralston's presentation included revenues for FY2004/2005, Revenue Trends, revenues for FY2005/2006, operating expenditures, major capital projects, cash reserves, and recommendations as to rates and fees.

Vice-Chairman Madanick asked whether the additional security personnel to be added will be police officers. Mr. Gray replied that they will be City personnel, but not police officers. City personnel will be able to perform more duties than contracted staff.

Commissioner Guilfooy asked how traffic counts were forecast into the future. He noted that there is a change in the mix of aircraft using the Airport and this has revenue implications. Mr. Gray explained that this information was not forecast specifically in the budget process. However, they are moving towards the Airport Master Plan that will reevaluate the forecast fleet mix for the next 20 years. This will present an opportunity to incorporate a true financial plan based on those statistics. Ideally staff would like to track operational levels, tie them to the fees collected, and track performance compared to the master plan on an annual basis.

Commissioner Guilfooy suggested that revenue forecasting would be more accurate if it were tied to traffic counts and flowage based on the traffic composition. Otherwise there is a risk that fee structures will become unbalanced. Mr. Gray responded that the Airport does not market vendor services, and are not privy to the marketing plans of vendors. Instead they use historical trends. He added that the revenue forecast is very conservative for obvious reasons.

Commissioner Guilfooy commented that this is good management practice, but no growth is forecast. A discussion ensued regarding fuel sales and emerging trends in the fleet mix. Commissioner Guilfooy commented that he finds the flat projection of business is unrealistically conservative.

Vice-Chairman Madanick made a motion to approve the draft Aviation Enterprise Five-Year Financial Forecast. Commissioner Osborne seconded the motion, which passed by a vote of four (4) to one (1), with Commissioner Guilfooy dissenting.

OPERATIONS/ENFORCEMENT UPDATE

Operations/Enforcement Update For March 2006

Mr. Chris Read, Assistant Aviation Director, presented the Airport operations enforcement update for March 2006.

MEETING SCHEDULE

None.

PUBLIC COMMENT

Mr. Mike Donahoe of Triton Air addressed the Commission, expressing concern about the City's procedure for dealing with sealed bids. When the City rejects sealed bids he remarked that this is unfair to the bidders. He feels that bidding companies should be allowed to meet and address the criteria they are deemed not to have met prior to a rejection and a request for a new bid. The current procedure is

unfair because when the bid is reissued, the details of the original bid are public knowledge. He is particularly concerned with bids for counter space in the Airport Terminal. He would like the Commission to consider revising the procedure so that sealed bids are not made public. If a sealed bid falls short of the criteria, bidders should be afforded the opportunity to correct their bids. He asked the Commission to consider placing this matter on the agenda of a future meeting.

DIRECTORS REPORT

Mr. Gray welcomed the Commission back to the renovated offices. A few minor remodeling tasks remain to be completed. They plan to hold Commission meetings in the second floor conference room, unless the number of people in attendance is larger, in which case the meeting would be held downstairs.

ITEMS FROM THE COMMISSION

None.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the regular meeting of the Scottsdale Airport Advisory Commission adjourned at 6:49 p.m.